
Guidelines for Capacity Building in Weavers' Community Enterprises in Udon Thani Province

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Abstract The present study aimed to 1) assess the operational performance of weavers' community enterprises in Udon Thani Province, and 2) determine the guidelines for their capacity building. The needed information was collected from interview with chairpersons of altogether 136 enterprises for application of context, input, process, and product (CIPP) evaluation model. Focus group discussion was arranged with 30 individuals representing members of such community enterprises and representatives of pertinent government agencies for additional qualitative information and determination of guidelines for enterprise capacity building. As a whole, the weavers' community enterprises in Udon Thani Province were evaluated as having a good overall operational performance with the average score of 73.40 based on 1 – 100 rating scale. Specifically, the context, input, process, and product evaluations received the average scores of 79.75, 68.04, 70.01, and 76.00, respectively. It was determined in the focus group discussion session that, in various business aspects, the following strategies and actions should be implemented to foster the development of these community enterprises. (1) Product. Develop products to market standard and maintain the standard consistency, improve the production technique to ensure the outputs that are in market demand. (2) Marketing. Stress market-led production of community enterprise products, seek the support from pertinent government agencies in terms of provision of trade or display facilities for the products of weavers' community enterprises as well as regular provision of market news and information to the enterprises. (3) Accounting system. Keep a comprehensive, up-to-date, and accurate accounting system in each weavers group for the calculation of actual production costs to help the group decide on appropriate pricing of its products. (4) Product design. Make request to pertinent government agencies for their support and coordinating services to locate or provide resource persons in the field of product design to give advice or assistance to various weavers' community enterprises. (5) Networking. Establish production and marketing networks for mutual learning and for seeking support from government sector to organize seminar on weavers' community enterprises in Udon Thani Province or arrange Udon woven products market fair once or twice a year. (6) Transfer of traditional local knowledge in weaving. Organize practical and skill trainings for people in younger generation to learn how to weave de-colored and dyed fabrics as well as design weaving patterns, or arrange with schools in local community to incorporate this local knowledge in school curriculum starting from primary education level onward and encourage schoolchildren to learn traditional art of weaving in school. (7) Members affairs. Arrange series of practical and skill training for new members on weaving, dyeing, and designing woven patterns.

Keywords: community enterprise, CIPP model.

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Introduction

The agricultural sector of Thailand was adversely affected from the implementation of 1st – 7th National Economic and Social Development Plans (1961 – 1996) as the then national development priority was given to industrialization by exploiting the available natural resources and the relatively cheap Thai labor cost while depending on imported technology for production and foreign market for exports. The shrinkage in agricultural share in GDP and the remaining inefficiency in farming sector as well as the lack of competitiveness in agricultural exports had prevented various developmental benefits from fairly reaching people at the grassroots level. This brought about a paradigm shift in the design of subsequent national development plans. Consequently, the 8th – 9th Plans (1997 – 2006) placed the primary national development concern on human potential development using holistic, integrated, and people-centered policies. The immense domestic economic crisis in 1997 further provided a crucial ground for Thailand to make a review for determining the new development directions which resulted in policy reform in many dimensions in its social and economic systems. Community economic enterprise was, then, envisaged as a meaningful mechanism for driving the national social and economic growth and development. Fostering community enterprises was considered an appropriate policy endeavor as the development inputs had to be in integrated nature with focus on building the community strength and self-reliance and the whole approach could be aligned with the changing social and economic conditions. Politically and socio-cultural-economically combined, the formation and functioning of community enterprises would be in compliance with the decentralization process empowering local community members to protect and manage their local natural resources and the environment, and encouraging them to decide and work on conserving their local knowledge and folk wisdom as well as to form production and marketing networks for local resource and knowledge management to produce quality community products having the unique cultural traits of each locality.

At the grassroots level, well-being of a rural or community economy could be assured by following the sufficiency economy principles. Community enterprise was thus conceptualized as a means for generating household and community income to write off debts and improve economic livelihood. However, this *modus operandi* would not simply and merely be a labor based but should also be a brain and mind based. Rural villagers must reorient their thinking to place a greater importance on internal and inner resources or capital, and contemplate on how to prudently manage the available resources and capital for optimal benefits. In early efforts on promoting community enterprises, the expectation of the Thai government was the ability of community members to recognize the local assets that could be enhanced in value and could generate more income for households and the community. Of course, assets are not confined only to physical things or economic capital, but embrace the natural, cultural, and social ones such as natural resources and attractions, native plants and trees, local knowledge including culture and traditions, craftsmanship, local hospitality, peaceful and harmonious community way of life, etc.

With the concept and policy to deal with poverty problem of the large segment of the Thai population through community enterprise activities, the Thai government had a community enterprise promotion bill drafted and submitted to the parliament which is composed of the Senate and the House of Representatives for consideration and approval according to the legislative procedures. The bill was passed and the Community Enterprise Promotion Act, B.E. 2548 (2005) was promulgated in the Royal Thai Government Gazette on 18 January 2005 for it to

come into force from 19 January 2005 onwards. The main reason for the promulgation of this law is to help foster the strength and self-reliance of communities' economy and their readiness for the future trade competitiveness as well as the development of community enterprises including specialized occupational groups towards small and medium sized entrepreneurship. The support should be done through state provision of financial funding, knowledge, and material inputs indirectly or directly to a community for promoting and supporting activities and programs related to the use and management of local knowledge and wisdom, income generation, mutual help, managerial capacity building, and the development into community enterprise in various categories.

In Udon Thani Province, cloth weaving is an age-old local tradition and knowledge. However, this gender and season specific activity has evolved from one of individual female's tasks after rice harvest to weave cloth for home wear and use into one of farmer wives' groups or women's groups at commercial scale to raise supplementary household income, generally with the advice and support from various government agencies. More recently, members of different weavers' group had formed themselves for registration as a community enterprise according to the stipulations in the Community Enterprise Promotion Act, B.E. 2548 for the entitlement to various government assistance, services, and supports in terms of organizational development, money input, accounting system, marketing, production, etc. Nevertheless, so far the development of weavers' community enterprises in Udon Thani has still faced some problems in the areas of marketing, production, product design, and use of information technology, similar to other cases elsewhere (Bhromsakha Na Sakonnakhon and Sangkaratana (2013). Thus, to ensure that the weavers' community enterprises in Udon Thani Province can be promoted and developed to become self-reliant and trade-competitive in the long run, it is imperative to conduct a comprehensive study to understand their business and operational potentials and to come up with guidelines for their further development.

Objectives

1. To assess the operational performance of weavers' community enterprises in Udon Thani Province.
2. To determine the guidelines for capacity building in weavers' community enterprises in Udon Thani Province.

Materials and methods

This study employed a mixed method combining both quantitative and qualitative research approaches. The quantitative information was collected from totally 136 chairpersons of weavers' community enterprises operating in Udon Thani Province for the understanding about general background and operation of these community enterprises and for assessing their operational performance through CIPP evaluation format addressing the context, input, process, and product aspects. The qualitative information was compiled from focus group discussion session arranged with altogether 30 individuals who represented the community enterprises and relevant government agencies.

1. Population. Chairpersons of 205 weavers' community enterprises in Udon Thani Province.

2. Samples. Chairpersons of 136 weavers' community enterprises in Udon Thani Province.

3. Data and information collection

For quantitative information, structured questionnaire was administered with each chairperson of totally 136 weavers' community enterprises in Udon

Thani Province. For qualitative information, focus group discussion session for problem diagnosis and development guidelines determination was arranged with 30 persons representing the enterprises and responsible government agencies.

4. Data analysis

The analysis on general background and operation of the enterprises was based on the results of descriptive statistics including arithmetic mean and percentage. The CIPP model application involved context, input, process, and product evaluations based on 1 – 100 rating scales with the following measurement interpretations:

Score	Performance
0 - 20.0	very poor
20.1 – 40.0	poor
40.1 – 60.0	acceptable
60.1 – 80.0	good
80.1 – 100.0	excellent

Results

1. General background and operation of weavers' community enterprises in Udon Thani Province

Virtually all weavers' community enterprises under study (98.5 %) were registered with the Department of Agricultural Extension, the main implementing agency of the CEP Act, because their members wished to solve their common problems by group effort and to gain access to government supports in terms of knowledge, finance, market and marketing, and material inputs. Their woven products are intended for commercial selling. On the average, member weavers are 56 years old with 20 years of weaving experience. Averagely, each enterprise has registered under the Community Enterprise Promotion Act for seven years and has 21 members.

The typical products are indigo tie-dyed fabric, Khid woven fabric with ancient I-san geometric motifs, tie-dyed silk, pakama or all-purpose male cloth woven in stripped and chequered pattern, and men-wears and women-wears made from these hand woven textiles particularly the tie-dyed fabric. All raw materials are available in markets in provincial town and thus weaving can be done year-round. Weaving activities are planned and carried out either upon the purchase orders or the need to have the fabric stock for selling. Selling is made either directly at the community store or through consignment sale or to traders. Both wholesale and retail marketing are practiced and generally in local community and within the province. Working capital for weaving activities and running the enterprise generally is mobilized from members but in some instance comes from some personal fund. As for storage of finished fabric and shop for selling, the residence of the chairperson or some member is commonly used because the group does not have its own building or office.

2. Operational performance of weavers' community enterprises in Udon Thani Province.

Within the framework of CIPP model, this study performed an evaluation on four aspects and the results are presented in the following sections.

2.1 Context Evaluation. The context was distinguished into four settings namely general economic, social, transportation, and technological ones as indicators. The first three settings received high scores and were evaluated as being excellent while the technological situation was regarded as good. The average score of 79.75 indicated that the overall context was good or favorable for the business operation of weavers' community enterprises in Udon Thani Province.

Table 2.1. Context evaluation: weavers' community enterprises in Udon Thani Province

Indicator	Score	Evaluation result
Context		
1. Economic	82.98	excellent
2. Social	84.01	excellent
3. Transportation	82.94	excellent
4. Technological	69.07	good
Average	79.75	good

2.2 Input evaluation. Input factor was delineated into human, raw materials, equipment and facilities, finance, management and administration, and marketing categories. All categories of input were evaluated to be good. This was basically due to the enthusiasm and industriousness of committee members and member weavers in performing their tasks, the skillfulness of weavers, the availability of raw materials in local and provincial markets, the well-defined division of labor, and the availability of markets to buy the woven products. Although the equipment and facilities component was evaluated at good level, necessary equipment remained inadequate and rather out-of-date while there was no building facility which was owned by any enterprise to house the common weaving area and to store the finished products. The overall input performance was evaluated to be at good level.

Table 2.2. Input evaluation: weavers' community enterprises in Udon Thani Province

Indicator	Score	Evaluation result
Input		
1. Human	74.66	good
2. Raw materials	69.61	good
3. Equipment and facilities	60.15	good
4. Finance	62.99	good
5. Management and administration	73.60	good
6. Marketing	67.25	good
Average	68.04	good

2.3 Process Evaluation. Process was considered to take place in the enterprise's functioning in administration, financial and accounting system, member and community welfare provision, marketing management, knowledge management, members affairs, and product management. All these enterprise functions received the score levels indicating their running in a good process. This was attributable to the well-defined goals and directions for the development of the enterprise, the formation of committee board with members coming from election, the well-established rules and regulations, the blending of new technology and local knowledge for operational improvement, the well-defined production stages/processes for quality control, and the reasonable pricing of woven fabric and finished products. The overall process was evaluated as good with 70.01 average score.

Table 2.3. Process evaluation: weavers' community enterprises in Udon Thani Province

Indicator	Score	Evaluation result
Process		
1. Administration	71.81	good
2. Financial and accounting system	69.22	good
3. Members and community welfare Provision	67.13	good
4. Marketing management	65.33	good
5. Knowledge management	72.13	good
6. Members affairs	70.91	good
7. Product management	72.10	good
Average	70.01	good

2.4 Product Evaluation. Product was distinguished into physical outputs and operational outcomes of the enterprise. Both components were evaluated as having a good result. The contributing factors to the good achievements in output component included the quality of the finished products, constant development in woven fabric texture and design, consumer's acceptance of products, and the products having standard certificate. The good performance in the outcome component was evident by the continual employment and income generation for household and the community, the cherishment of local knowledge and wisdom, better quality of life of community members, and the emergence of mutual learning among local community members as well as with people in other village communities. Both components combined received a score of 76.00 thus was evaluated as good in performance.

Table 2.4. Product evaluation: weavers' community enterprises in Udon Thani Province

Indicator	Score	Evaluation result
Product		
1. Physical outputs	72.45	good
2. Operational outcomes	79.61	good
Average	76.00	good

2.5 Overall CIPP evaluation. The evaluation of operational performance of weavers' community enterprises in Udon Thani Province was undertaken on the four main parts of the business according to the analytical framework namely context/environment, input, process, and product. In essence, the weavers' community enterprises represented by the 136 samples under study performed well in all parts and with the overall 73.40 average score.

Table 2.5. Summary of evaluation results

Indicator	Score	Evaluation result
Context	79.75	good
Input	68.04	good
Process	70.01	good
Product	76.00	good
Overall average	73.40	good

4. Problems and obstacles in the operation of weavers' community enterprises in Udon Thani Province.

From focus group discussion with 30 individuals representing the enterprises and the pertinent policy implementing government agencies, emerged the following sets of identified problems and specific contents:

3.1 Problems in organizational administration. Although weavers' community enterprises under study were run in the form of committee, most of

them did not establish the clear objectives and direction for their continual operation. Some member weavers simply did what the group leader ordered and instructed them while some others just independently produced whatever they wished and then brought their products for selling under the enterprise's name. The inability to reasonably fix the volume or type of products has give rise to either inadequate supply to meet market demand or over-supply in particular categories of woven fabric.

3.2 Problems in production.

1) Variation in knowledge and skill levels among weavers bringing about different quality and standard of woven fabric and finished products.

2) High production cost due to costly raw materials which were mostly bought from market.

3) Shortage of natural colorants for dyeing due to excess demand for the slowly growing plants.

4) Shortage of weaving labor during rainy season as most member weavers were engaged in their farming activities, resulting in shortage of product supply to meet market demand.

5) Lack of modern weaving equipment like electricity powered yarn reeling machine and loom as the community enterprises did not have enough capital for the investment.

6) New members of weavers' community enterprises lacking knowledge and technique in bleaching, dyeing, weaving, and pattern designing.

3.3 Problems in marketing, most critical for the enterprises.

1) Most member weavers had no knowledge concerning management and administration as well as marketing. They simply produced what they liked or could master before thinking about where to sell the products, selling to whom, at what price, and how to market the products. Without the prior market and consumer demand surveys, some pieces or some types of woven fabric could not be sold or just could but at low price.

2) Limited marketing channels and market outlets were found to be particularly faced by newly established enterprises partly due to the fact that their products were not selected as OTOP items or awarded certificate for product standard, or the enterprise was not popularly known. The most common distribution channels were trade fairs or expositions organized by government agencies at district or provincial level and the middlemen or trading agents in textile and garment market especially Nakha market in the capital town of Udon Thani Province.

3) No place and space for displaying and selling the enterprises' products.

3.4 Problems concerning finance and accounting system.

1) The newly established weaver's community enterprises invariably confronted the problem of inadequate working capital as parts of their products would be sold to middlemen who commonly paid the sum by advanced checks which could be cashed in 2 – 3 months after the trade transaction. The fund sunk in this type of deal prevented the enterprises from having adequate working capital to make investment.

2) Many enterprises could not get loans from financial institutions for making investment because most of their members did not want to serve as loan guarantor for various reasons such as the worry about financial responsibility in case the enterprise fails to make loan repayment and, perhaps, the lack of confidence in management capability of the committee.

3) The majority of weavers' community enterprises had no well-established nor complete accounting system resulting in the difficulty

calculating the correct production costs, expenditure, income, and hence the realistic prices for their products.

3.5 Problems in the use of communications technology. Most weavers' community enterprises in Udon Thani Province were found to employ no communications technology in their operation despite the fact that website or homepage can be created for communication, marketing, and public relations purposes and that various accounting software can be used to facilitate book keeping procedures.

3.6 Problems regarding product design. The majority of enterprises under study admitted that, despite the efforts to improve woven pattern design, product type, and packaging, the improvement remained not up to expectation. There is still a need to get further knowledge about product design and packaging to make their products look modern and attractive.

3.7 Problem related to member weavers. The majority of member weavers are getting old while there are not many young people wanting to inherit their weaving knowledge and profession.

4. Guidelines for capacity development in weavers' community enterprises in Udon Thani Province.

The synthesis of information from quantitative questionnaire survey and qualitative focus group discussion has enabled us to determine the following succinct guidelines to help build capacity and competitiveness of weavers' community enterprises in Udon Thani Province in the future.

1. Production. Members of newly established enterprise need to improve their products to quality standard for certification of product quality while those in the older enterprise must maintain their existing products' quality standard and improve their weaving process and technique with greater use of modern technology.

2. Marketing. The marketing concept has to be shifted from production-led strategy to market-led one in order to turn out products according to consumer demand. It is imperative that pertinent supporting government agencies arrange space or showroom facility for various enterprises to display their products, and provide regular and continual market information and news to the enterprises.

3. Accounting system. The board of committee of each enterprise must look for some member weavers having knowledge and ability in accountancy to help in accounting matters, keeping accurate and up-to-date figures of cost and revenue. This will enable the presentation of actual financial condition, the calculation of real production cost, and the setting of reasonable selling prices for various products.

4. Product design. Government agencies particularly the Provincial Offices of Agriculture and Industry must play a role as coordinator or catalyst getting academic institutes or other relevant government agencies to give advice or assistance to weavers' community enterprises in their provincial area concerning product design and development to assure the production of diverse and modern products.

5. Networking. To facilitate the mutual learning among various enterprises, the government sector should provide support for the organization of seminar workshop among weavers' community enterprises in Udon Thani Province or home woven fabric and products trade fair in the province once or twice a year.

6. Traditional weaving art and culture legacy. The local weaving knowledge and tradition which have been handed down from previous generations should be passed on to the next generations for career making. This can be done through a variety of mechanisms such as the arrangement of training for those youth with the interest to acquire weaving skills for making income, the

coordination with schools in local community for the set up of weaving art and culture conservation club in school, or the incorporation of this subject and practicum in school curriculum at primary educational level to encourage young schoolchildren's interest in and appreciation of traditional weaving art and culture.

7. Members. Successive courses of training should be organized for new member weavers to enhance their knowledge and skills in dyeing, weaving, woven motif design, and product design.

Discussion

The context evaluation indicated the general conditions are favorable with the possibility of selling the products year-round, the tendency of rising demand for woven fabric turned out by the community enterprises, the convenient transportation, the access to modern means for communications, and the use of more modern production equipment. All these have enabled member weavers to earn supplementary household income. From input evaluation, although the overall situation was found to be good, there remained some discouraging facts. Weaving labor was problematic especially during rainy season as most member weavers were engaged in farming activities. The majority of community enterprises had no building facility of their own for community weaving area and storage of raw materials and finished products. Furthermore, working capital was not adequate in most cases. The process evaluation results suggested that member weavers still lacked some managerial skills despite the knowledge inputted from various government agencies in terms of accounting system and marketing practices, causing rather low evaluation scores in many aspects. These findings were in consonance with what found in the study by Bhromsakha Na Sakonnakhon and Sankaratana (2013) that problems and obstacles in the operation of community enterprises encompassed the lack of knowledge and understanding about marketing management, the limited scope of marketing channel and for market expansion, the absence of good accounting system and even worse the absence of accounting system which made it impossible to calculate the actual production costs, and the incidence of spending working capital of the enterprise for personal use. Evidently from the product evaluation, physical outputs of the community enterprises were considered good since the woven fabric and finished products had quality acceptable by buyers and some items were certified for standard quality while the good outcomes were supported by the facts that weaving could be a profession creating income for community members thus improving their quality of life, and a means for transferring local knowledge and wisdom to people in the next generations, and that the organization of weavers into group and community enterprise was instrumental for mutual learning process among community members. Our results were in line with what reported by the Office of National Higher Education Commission (2003) from the synthesis of the status and guidelines for comprehensive development of home woven fabric that female villagers could earn more income to support their families and that local knowledge about traditional styled weaving was passed on to other people especially the young by schools inviting weavers to be special instructors in the part of basic occupational activities in the curriculum such that schoolchildren can have the opportunity to learn weaving and inherit this local endowment.

Conclusions

Application of CIPP evaluation model provided the overall result that the weavers' community enterprises in Udon Thani Province had a good operational performance. Specifically, the context evaluation results manifested the various very favorable environments for the operation of weavers' community enterprises. The input evaluation was consistent with the facts that member weavers had enthusiasm and industriousness as well as skills in weaving fabric and producing

various finished products and that good quality raw materials were available locally. These would be supporting factors enabling the further development of the enterprises. Nevertheless, most community enterprises still lacked building facility of their own for use as community weaving area and storage. From the process evaluation, the overall performance was regarded as good because the committee members selected for dealing with managerial and administrative matters were quite capable of doing their jobs. However, there was a need for greater market promotion activities as well as the collection of information about customers for use in future market promotion or expansion campaigns. The product evaluation findings indicated that this component of the enterprise business performed the best. This was attributable to the good quality of the physical outputs, the continual product development, the acceptance by consumers, and the possession of certificate for standard quality products. Contributed also to the high overall evaluation score were the operational outcomes as evident by the generation of employment and income for many households in local community, the weaving knowledge and skills gained by existing weavers and new coming ones, the continual satisfaction and participation of member weavers, the cherishment of local knowledge, the rise of mutual learning among community members, and the elevated quality of life of community members.

Recommendations

1. Applicable internal recommendations. Members of weavers' community enterprises should pursue additional knowledge or attend training courses in the areas related to business management and organizational administration such as market promotion, business and marketing planning, finance and accountancy, and members affairs management such that they can use their acquired knowledge and capability to help improve the efficiency and performance of their enterprises.

2. Applicable external recommendations. The government agencies with involvement and responsibility in community enterprise promotion should provide support for establishment of building structure for community weaving area and storage, capital fund or low interest loans, enlargement of marketing channels and market, and the provision of knowledge about business management and administration.

3. Further research recommendations. It is imperative that participatory action researches be undertaken engaging the parties of community enterprises, researchers, and development workers for the development of equipment, products and new product lines, and technology to foster further business progress and enterprise advancement.

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